United Nations A/56/73/Add.1–E/2001/68/Add.1

General Assembly
Economic and Social Council

Distr.: General
27 September 2001

Original: English

General Assembly
Fifty-sixth session
Agenda item 108
Social development, including questions relating to the world social situation and to youth, ageing, disabled persons and the family

Economic and Social Council
Substantive session of 2001
Agenda item 14 (b)
Social and human rights questions: social development

Cooperatives in social development

Report of the Secretary-General

Addendum*

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* The submission of the present addendum was delayed because the responses to the Secretary-General's questionnaire on the implementation of resolution 54/123 contained herein were received after the publication deadline.

01-55578 (E) 051001

I. Introduction

1. The present addendum contains additional responses from Member States to the questionnaire of the Secretary-General seeking their views on the draft guidelines and information on progress made in the implementation of resolution 54/123 of 17 December 1999.[1]

II. Implementation of resolution 54/123

2. The Government of Algeria reports that it recognizes the role of cooperatives in poverty reduction and employment generation and fully affirms the universal principles of the cooperative movement. The Government also reports that it provides fiscal and tax privileges to cooperatives and that the former State-run cooperatives have been privatized. The National Fund of Regulation and Agricultural Development (Fonds national de régulation et de développement agricole) supports agricultural cooperatives and assures their market competitiveness through development projects and the provision of material resources. The International Day of Cooperatives is not yet celebrated in Algeria but necessary steps may be taken to start the process.

3. The Government of Chile reports that it has enhanced the procedure to establish and develop cooperatives and that it supports peasants' cooperative organizations through specialized agencies. Special assistance and subsidies are provided for housing cooperatives and cooperatives of street-traders. Cooperatives that distribute drinking water and electricity in rural areas receive technical, administrative, economic and financial assistance from the Government. A specific web site has been created to provide information on cooperatives, their federations and confederations, their activities and relevant legislation and regulations. The Department of Cooperatives of the Ministry of Economics participates in the events organized by Chilean cooperators to observe the International Day of Cooperatives.

4. The Government of Lesotho regards the cooperative movement as a partner in the process of national development. It has formulated a national cooperative policy with the primary objective to create solid economic, legal and institutional environment conducive to growth and development of all types of cooperatives in the country. The Department of Cooperative Development is mandated to facilitate the cooperative movement's contribution to poverty alleviation through employment and income generation and to human resource development through the development of entrepreneurial, managerial and technical skills. The Department guides, advises, trains and educates cooperative members to foster effective and efficient attainment of agricultural diversification and food security. The Government observes the International Day of Cooperatives by organizing a national rally on a chosen theme. In 2001 the theme was "Role of cooperatives in social services and job creation".

5. The Government of the Russian Federation reports that the lack of proper legal regulations for credit cooperatives constrains their establishment and development. The Ministry of Economic Development of the Russian Federation has prepared a set of regulations to be adopted with the aim of reducing administrative obstacles that impede the development of entrepreneurial (including cooperative) activities. The Government considers the success of cooperative development is fully dependent on the ability of cooperatives to overcome difficulties, including: the power of local monopolies; unpredictable legal, administrative, customs and taxation rules; lack of professionalism in economic and administrative control; low level of business discipline; and corruption.

6. The Government of Trinidad and Tobago reports that it provides support to cooperatives in the field of low-cost housing, tourism and services and promotes the integration of youth and adult cooperatives to foster employment generation and continuity of the cooperative movement. The Government set up a Cooperative Division with offices in the rural communities to promote cooperative awareness at the grass-roots level through education and to facilitate low-cost loans from national agencies. The Cooperative Societies Bill and National Policy Guidelines were promulgated to enable cooperatives to function as independent organizations. The International Day of Cooperatives is observed with an annual awards ceremony, where pioneers of the cooperative movement are honoured, and by the organization of an exhibition of cooperative products

and special educational programmes for cooperative societies.

7. The Government of Zambia reports that cooperatives in the country have been inactive for the past seven years because there was no partnership between the Government and the cooperative movement. In 2001, the Government re-established its Department of Marketing and Cooperatives in order to encourage and facilitate the establishment and development of cooperatives in the country.

III. Views of Governments on the draft guidelines and on ways to render support to Member States

8. Governments welcomed the elaboration of the draft guidelines aimed at creating a supportive environment for the development of cooperatives and expressed their support for the ideas expressed in the document.

9. The following additional comments and suggestions were provided by Governments:

(a) The new non-discriminatory international legal framework should be adopted to allow the full participation of cooperatives in modern economic relationships;

(b) Governments should eliminate administrative obstacles that limit the possibilities of the cooperatives with regard to competition and participation, and should facilitate the integration of cooperatives into all State-run programmes addressing the development of companies and enterprises;

(c) In addition to the adoption of the United Nations draft guidelines, support should be given to the recommendation of the International Labour Organization (ILO) concerning the promotion of cooperatives, which is intended to replace ILO recommendation No. 127. The new ILO recommendation is expected to be adopted in 2002;

(d) The draft guidelines are viewed as a basis for new or revised cooperative legislation and should serve as a reference for determining relations between the State, cooperatives and donors.

10. The following views were expressed on ways to render support to Member States in their efforts to create a supportive environment for the development of cooperatives:

(a) Developed countries are urged to assist and participate directly in cooperative development and to open up branches in developing countries;

(b) Information on cooperative successes should be propagated through educational programmes in the international news media because this will help to correct the negative image of cooperatives held by the public in some countries;

(c) Staff development should take place in registrars' offices; regional conferences and workshops should be organized in Member States; the ILO should continue its regional educational programmes;

(d) A special structure within the Food and Agriculture Organization of the United Nations (FAO) should be established to provide permanent technical and administrative support to cooperative development in developing countries;

(e) An international fund for the development of cooperative movement should be created to help cooperatives facing problems (especially in the agricultural sector of developing countries) and thus put into practice the main principles of cooperation — solidarity and mutual help;

(f) An international institute of cooperation for the promotion of cooperative culture throughout the world should be created under the aegis of the United Nations. Regional institutes could disseminate principles, knowledge and techniques of successful cooperative practices;

(g) A world congress of Presidents of cooperative unions, representing every continent and region, should be organized under the aegis of the United Nations every five years to discuss cooperative issues worldwide.

Notes

[1] Additional responses were received from the following Member States: Algeria, Chile, Lesotho, the Russian Federation, Trinidad and Tobago and Zambia.